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C O N F I D E N T I A L SECTION 01 OF 03 CARACAS 000511

SIPDIS

HQ SOUTHCOM ALSO FOR POLAD COMMERCE FOR 4332/MAC/WH/JLAO TREASURY FOR RJARPE NSC FOR RKING SECSTATE PASS AGRICULTURE ELECTRONICALLY

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TAGS: ECON PGOV PREL ETRD EINV EAGR SENV VE

SUBJECT: CONSERVATION INTERNATIONAL GIVES UP ON VENEZUELA

REF: A. CARACAS 471

1B. 2007 CARACAS 1755

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Classified By: Economic Counselor Darnall Steuart for reasons 1.4 (b) and (d).

11. (C) SUMMARY: NGO Conservation International closed its doors in Venezuela on March 31 saying it wanted to focus on countries where it can have an impact on host government environmental policies. The Venezuelan head of another US-based NGO, The Nature Conservancy, said the government would gladly sacrifice US NGO's expertise if they dare to adopt higher profiles in Venezuela as "the anti-yankee discourse is more important to the government than its work on the environment." Nationalization of private nature reserves, ostensibly to increase agricultural production, along with the government's plans to take control of all international funding for NGOs (Ref A) also raise serious concerns in the sector. Claims that Chavez would be Venezuela's "first green president" now ring hollow. END SUMMARY.

CONSERVATION INTERNATIONAL LEAVES VENEZUELA

- 12. (C) Econoff met with Ana Liz Flores (protect throughout), Executive Director of the Venezuelan chapter of US NGO Conservation International (CI), on April 2. Flores said that while CI officially closed on March 31, its administrative operations in Venezuela will continue until May 31, 2009. After May, CI has not yet determined what will happen to 44 of its 45 projects in Venezuela. To her knowledge, Venezuela will be the only office CI will close in Latin America. CI's Venezuelan partners told the press March 28 that CI's decision was "an enormous loss" for Venezuela, leaving more than 100 environmental experts with nowhere to go for funding. (NOTE: By some measures, Venezuela is one of the world's top 20 most biodiverse countries and is often found among top ten lists for countries with the largest net forest loss per year (Ref B). END NOTE.)
- 13. (C) Flores lamented the CI departure, noting that once it is gone, it will be impossible for CI to re-enter Venezuela as long as Chavez is in office. (NOTE: The World Conservation Society has been trying to obtain permission to

begin operations in Venezuela for over a year from the Ministry of Foreign Affairs and has failed. END NOTE.) She added that the proposed "Law on International Cooperation", which would allow the central government to manage and distribute all international funding for NGOs, would be "devastating" to environmental efforts in Venezuela. She is hopeful the law will not pass as the government has no systems in place to implement its provisions.

14. (C) Flores contended that CI Headquarters does not understand that it is still possible to "get things done in Venezuela." CI Venezuela's "low profile, take no credit for any project" approach frustrated CI headquarters. She said CI Venezuela had to take this approach or the government would not have allowed CI to continue its work. CI Headquarters was also disgruntled with its inability to work with the Venezuelan government on programs or policy. She noted that the Ministry of Environment is staffed by radical, anti-US politicians focused on ideology with no funding for, or understanding of, environmental programs. The Venezuelan Park Service INPARQUES changed directors six times in the last 12 months, she added, and there are rumors it will be eliminated and not replaced. Flores said that in spite of this, CI Venezuela was starting to discover effective ways to bypass the central government and she deeply regreted CI's decision to leave.

VENEZUELA STILL A PRIORITY FOR THE NATURE CONSERVANCY

15. (C) Econoff met with another major US-based environmental NGO, The Nature Conservancy (TNC), March 4. In spite of serious issues with the Venezuelan Government and a recent

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drop in donations, the Venezuela Country Representative for TNC, Lila Gil (protect throughout), views Venezuela as a high priority. She said TNC is the only major environmental organization left in Venezuela and it will stay as long as the government allows. If TNC were to leave Venezuela, Gil feels most foundation money would leave with it. She explained that foundations do not trust the Venezuelan government and would not fund projects without an internationally recognized NGO to manage the money. Additionally, after years of effort, in 2008 TNC completed an extensive conservation plan for government-owned petroleum company, PDVSA. Although PDVSA refused to allow TNC to publish the plan, and its participation in the study was highly criticized by Chavez supporters, Gil pointed to this unusual example of cooperation with a government entity as another reason TNC plans to stay in Venezuela.

16. (C) Gil also emphasized the importance of keeping a low profile as a US-based NGO. She said that unlike TNC's offices in Brazil, Ecuador and Bolivia, TNC cannot lobby the Venezuelan government directly due to its US connection. Gil added that "The New York Times" contacted her several months ago about doing a story on TNC's work in Venezuela, but TNC refused out of fear of government retaliation. She suggested that if TNC adopted a higher profile, the Venezuelan government would gladly sacrifice TNC's expertise and funding in order to make an "anti-yankee" statement.

LAND NATIONALIZATIONS HAVE NEGATIVE ENVIRONMENTAL IMPACT

17. (C) Professor Edgard Yerena (protect throughout), biologist and specialist in environmental policy at public university Simon Bolivar, told Econoff on February 18 that as a direct result of government policies, Venezuela has experienced a dramatic increase in deforestation in the last ten years. Yerena conceded, however, that the government does not publish official figures on deforestation and, lacking government support, experts in the sector have had

difficulty coming up with hard data on the extent of the damage. He also noted that ecologists contend there has been a dramatic increase in oil spills and mining mishaps, but it is equally impossible to get official data in these areas.

- 18. (C) Although 15 percent of Venezuela is theoretically protected under the INPARQUES national park system, he said most of the parks are abandoned and even the government builds in them. He said the government's permissive attitude and failure to protect the parks promotes land invasions. Cutting down trees in national parks helps reinforce squatters' ownership claims in the government's eyes. Additionally, Yerena added, on large estates or "Hatos", deforestation proves to the government that the land is being used to produce food and lessens the risk of nationalization due to lack of production.
- 19. (C) Yerena noted the government nationalized large swathes of the 148,000 acre Hato Pinero estate in spite of the owners' arguments that they were not producing crops because the estate contains one of the country's most important, privately owned wildlife reserves. The government only recognizes that large land owners have a right to 10 percent of their estates. Without real property rights, Yerena opined, it no longer makes sense for estate owners to invest in their eco-tourism infrastructure and many have stopped employing guards that have kept poachers at bay for years. (Note: The President of the government's National Institute of Lands claimed on March 29 that the Institute had reviewed 14.8 million privately owned acres and found 90 percent of them should belong to the "nation". Within 15 days starting April 21, the Institute plans to "reclaim" 71,000 acres. End Note.)

COMMENT

 $\P10.$ (C) There seems to be a consensus among environmental NGOs and academia that it is nearly impossible to work with

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the central government on environmental issues. Although hard data is in short supply, the current administration's policies appear to have stepped up the pace of environmental degradation in one of the most biodiverse countries in the world. Neglect of national parks and lack of funding, as well as government actions that threaten NGOs and encourage deforestation, have lent little credence to claims that Chavez would be the "first green President" in Venezuela.

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